

111TH CONGRESS
1ST SESSION

H. R. 1863

To amend the Internal Revenue Code of 1986 to impose a tax on the amount of wages in excess of the contribution and benefit base, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 1, 2009

Mr. WEXLER introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to impose a tax on the amount of wages in excess of the contribution and benefit base, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Social Security Forever
5 Act of 2009”.

6 **SEC. 2. TAX IMPOSED ON WAGES IN EXCESS OF CONTRIBU-**
7 **TION AND BENEFIT BASE.**

8 (a) TAX ON EMPLOYEES.—Section 3101 of the Inter-
9 nal Revenue Code of 1986 (relating to rate of tax) is

1 amended by adding at the end the following new sub-
2 section:

3 “(d) WAGES RECEIVED IN EXCESS OF CONTRIBU-
4 TION AND BENEFIT BASE.—In addition to the taxes im-
5 posed by subsections (a) and (b) and notwithstanding sub-
6 section (c), there is hereby imposed on the income of every
7 individual a tax equal to 3 percent of the excess (if any)
8 of—

9 “(1) the wages (as defined in section 3121(a))
10 received by him with respect to employment (as de-
11 fined in section 3121(b)) during the calendar year,
12 over

13 “(2) so much of such wages as does not exceed
14 the contribution and benefit base, as determined
15 under section 230 of the Social Security Act for
16 such calendar year.”.

17 (b) TAX ON EMPLOYERS.—Section 3111 of such
18 Code (relating to rate of tax) is amended by adding at
19 the end the following new subsection:

20 “(d) WAGES PAID IN EXCESS OF CONTRIBUTION
21 AND BENEFIT BASE.—In addition to the taxes imposed
22 by subsections (a) and (b) and notwithstanding subsection
23 (c), there is hereby imposed on every employer an excise
24 tax, with respect to having individuals in his employ, equal
25 to 3 percent of the excess (if any) of—

1 “(1) the wages (as defined in section 3121(a))
2 paid by him with respect to employment (as defined
3 in section 3121(b)) during the calendar year, over

4 “(2) so much of such wages as does not exceed
5 the contribution and benefit base, as determined
6 under section 230 of the Social Security Act for
7 such calendar year.”.

8 (c) RAILROAD RETIREMENT.—

9 (1) TAX ON EMPLOYEES.—Section 3201 of
10 such Code (relating to rate of tax) is amended by re-
11 designating subsection (c) as subsection (d) and by
12 inserting after subsection (b) the following new sub-
13 section:

14 “(c) WAGES RECEIVED IN EXCESS OF CONTRIBU-
15 TION AND BENEFIT BASE.—In addition to other taxes,
16 there is hereby imposed on the income of each employee
17 a tax equal to 3 percent of the excess (if any) of—

18 “(1) the compensation (determined without re-
19 gard to section 3231(e)(2)) received during any cal-
20 endar year by such employee for services rendered
21 by such employee, over

22 “(2) so much of such compensation as does not
23 exceed the contribution and benefit base, as deter-
24 mined under section 230 of the Social Security Act
25 for such calendar year.”.

1 (2) TAX ON EMPLOYEE REPRESENTATIVES.—

2 Section 3211 of such Code (relating to rate of tax)
3 is amended by redesignating subsection (c) as sub-
4 section (d) and by inserting after subsection (b) the
5 following new subsection:

6 “(c) WAGES RECEIVED IN EXCESS OF CONTRIBU-
7 TION AND BENEFIT BASE.—In addition to other taxes,
8 there is hereby imposed on the income of each employee
9 representative a tax equal to 3 percent of the excess (if
10 any) of—

11 “(1) the compensation (determined without re-
12 gard to section 3231(e)(2)) received during any cal-
13 endar year by such employee representative for serv-
14 ices rendered by such employee representative, over

15 “(2) so much of such compensation as does not
16 exceed the contribution and benefit base, as deter-
17 mined under section 230 of the Social Security Act
18 for such calendar year.”.

19 (3) TAX ON EMPLOYERS.—Section 3221 of such
20 Code (relating to rate of tax) is amended by redesign-
21 ating subsection (c) as subsection (d) and by in-
22 serting after subsection (b) the following new sub-
23 section:

24 “(c) WAGES PAID IN EXCESS OF CONTRIBUTION AND
25 BENEFIT BASE.—In addition to other taxes, there is here-

1 by imposed on every employer an excise tax, with respect
2 to having individuals in his employ, equal to 3 percent of
3 the excess (if any) of—

4 “(1) the compensation (determined without re-
5 gard to section 3231(e)(2)) paid during any calendar
6 year by such employer for services rendered to such
7 employer, over

8 “(2) so much of such compensation as does not
9 exceed the contribution and benefit base, as deter-
10 mined under section 230 of the Social Security Act
11 for such calendar year.”.

12 (d) TAX ON SELF-EMPLOYMENT INCOME.—Section
13 1401 of such Code (relating to rate of tax) is amended
14 by adding at the end the following new subsection:

15 “(d) WAGES RECEIVED IN EXCESS OF CONTRIBU-
16 TION AND BENEFIT BASE.—In addition to the taxes im-
17 posed by subsections (a) and (b) and notwithstanding sub-
18 section (c), there shall be imposed for each taxable year,
19 on the self-employment income of every individual, a tax
20 equal to 6 percent of the excess (if any) of—

21 “(1) the self-employment income for such tax-
22 able year, over

23 “(2) so much of such self-employment income
24 as does not exceed the contribution and benefit base,
25 as determined under section 230 of the Social Secu-

1 rity Act, which is effective for the calendar year in
2 which such taxable year begins.”.

3 (e) CONFORMING AMENDMENTS.—

4 (1) Section 24(d)(2)(A) of such Code is amend-
5 ed—

6 (A) in clause (i) by inserting “(other than
7 subsection (d) thereof)” after “3101”, and

8 (B) in clause (ii) by inserting “(other than
9 subsection (d) thereof)” after “1401”.

10 (2) Section 45B(b)(1) of such Code is amended
11 by inserting “(other than subsection (d) thereof)”
12 after “section 3111”.

13 (3) Section 406(b)(2)(B) of such Code is
14 amended by inserting “(other than subsection (d)
15 thereof)” after “3101”.

16 (4) Section 3121(l)(1)(A) of such Code is
17 amended by striking “sections 3101 and 3111” and
18 inserting “sections 3101 (other than subsection (d)
19 thereof) and 3111 (other than subsection (d) there-
20 of)”.

21 (5) Section 6051(a)(6) of such Code is amended
22 by inserting “(stated separately with respect to the
23 taxes imposed by subsections (a), (b), and (d) there-
24 of)” after “section 3101”.

25 (6) Section 6053(b) of such Code is amended—

1 (A) by striking “section 3101 or section
 2 3201” and inserting “section 3101 (without re-
 3 gard to subsection (d) thereof) or section 3201
 4 (without regard to subsection (d) thereof)”, and

5 (B) by inserting “with respect to sections
 6 3101 (a) and (b) and 3201 (a) and (b)” after
 7 “as the case may be” the second place it ap-
 8 pears.

9 (f) EFFECTIVE DATE.—

10 (1) IN GENERAL.—Except as provided in para-
 11 graph (2), the amendments made by this section
 12 shall apply with respect to remuneration paid after
 13 December 31, 2009.

14 (2) SELF-EMPLOYMENT INCOME.—The amend-
 15 ment made by subsection (d) shall apply to taxable
 16 years beginning after December 31, 2009.

17 **SEC. 3. SIGNATURES ON TREASURY SECURITIES.**

18 (a) IN GENERAL.—Subchapter II of chapter 31 of
 19 title 31, United States Code, is amended by adding at the
 20 end the following new section:

21 **“§ 3131. Signatures on obligations issued or guaran-**
 22 **teed under this chapter**

23 “Every obligation issued or guaranteed under the au-
 24 thority of this chapter shall bear a facsimile of the signa-

1 tures of the President of the United States and the Sec-
2 retary of the Treasury.”.

3 (b) CLERICAL AMENDMENT.—The table of sections
4 for chapter 31, United States Code, is amended by adding
5 after the item relating to section 3130 the following new
6 item:

“3131. Signatures on obligations issued or guaranteed under this chapter.”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to obligations issued after the date
9 which is 3 months after the date of the enactment of this
10 Act.

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